

CANADIAN FOREIGN EXCHANGE COMMITTEE

# **Report on Activities**

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**2007**

# **Canadian Foreign Exchange Committee**

## **Report on Activities**

### **2007**

The Canadian Foreign Exchange Committee (CFEC) is composed of senior representatives from financial institutions actively involved in the foreign exchange market in Canada and the U.S. dollar/Canadian dollar market globally (see membership list on page 7). Formed in 1989, its objective is to provide a forum for the regular discussion of issues and developments pertinent to the foreign exchange market. This includes the review of market practices and procedures, and the promotion of professionalism and integrity in the industry. It also serves as a channel of communication between the foreign exchange market in Canada and other organizations and official institutions, both within Canada and abroad.<sup>1</sup>

### **Market Developments and Policy Issues**

One initiative at CFEC meetings is to have a featured discussion in which speakers are invited to give a presentation on developments in the foreign exchange market. At the February meeting, there was a presentation from representatives of FXMarketSpace, which is an equal joint venture between Reuters and the CME, and is the first centrally cleared FX trading platform. It combines the central counterparty model and clearing function of the CME with the global distribution network of Reuters to create a new pool of liquidity in the FX market. FXMarketSpace offers a number of features including price transparency in which the depth of book can be seen, fully anonymous trading and central counterparty clearing. The Committee discussed a number of topics with the representatives of the company, including the platform's liquidity features and the mechanism through which banks and their counterparties could trade. The system became fully operational and open for trading on March 26, 2007.

At the June meeting, the CFEC received a presentation from LavaFX, an electronic trading platform owned by Citigroup. LavaFX is one of many electronic exchanges that have appeared in the foreign exchange market in recent years. Two trading platforms were described. The first is a buy-side platform that offers an electronic communications network of live dealable prices, full depth of book and anonymous trading. The second platform, which is a newer initiative, is an interbank platform intended for use by banks. A feature of this platform is that it will allow for what has been called "dark liquidity," where two banks counterparts are able to trade large

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<sup>1</sup>The full document of Objectives and Organization, which was originally developed by the Committee in 1990, and was most recently revised in May 2003, can be found on pages 9-10.

positions quickly and confidentially on a bilateral basis without other bank participants in the market knowing.

The CFEC meetings are also an opportunity for representatives of the Bank of Canada to discuss economic developments and other topics with senior representatives of the foreign exchange market. For example, at the October meeting a representative of the Bank of Canada spoke about the recent turmoil in financial markets stemming from the subprime mortgage crisis in the United States, as well as some of the actions central banks have taken to help ameliorate these problems.

Also at the October meeting, representatives of the Bank of Canada presented two other topics that were discussed by the Committee. First, the turnover results of the April 2007 triennial survey (also mentioned on page 4 of this report), and second the results of the Bank of Canada survey of banks on the foreign exchange hedging activities of their corporate customers. The Bank has conducted this survey each year for the last four years. A “Summary of the Survey on Canadian Corporate Foreign Exchange Hedging” can be found on the CFEC website ([www.cfec.ca](http://www.cfec.ca)) under Announcements.

Usually twice each year, although just once in 2007, the CFEC members take turns hosting a lunch before the meeting in which a speaker is invited to give his/her views on a topic of interest to the Committee. Scotia Capital hosted a lunch at the June meeting and their Chief Currency Strategist spoke about the Canadian dollar and the factors that have been driving foreign exchange markets.

## **Canadian Committee for Professionalism**

The Canadian Committee for Professionalism (CCFP), which is sponsored jointly by the CFEC and the Financial Markets Association of Canada (FMAC), was inaugurated in 1993. This independent Committee reports regularly to the CFEC, and its guiding mission is to promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange market. The Document of Organization for the CCFP, which can be found on pages 11-12 of this Report, was last updated in January 2007. The CCFP met regularly in 2007 and has been active in promoting its objectives in conjunction with the CFEC. A list of the members can be found on page 8.

Another objective of the CCFP is to arbitrate disputes, upon request, between two or more counterparties. While it is only on rare occasions that the CCFP has received any formal request for arbitration, the Committee has provided advice and direction on issues related to best market practices.

Of note, a number of the members of the CCFP, FMAC and the CFEC devoted a significant amount of time and effort to host, at the beginning of May, the 46<sup>th</sup> ACI

World Congress in Montreal. This very successful Congress was attended by over 650 participants from 51 countries. FMAC's Annual General Assembly in November also included, for the first time, a business speaker program and trade show.

In 2006, the New York Chief Dealers Group, a working group of the Foreign Exchange Committee, proposed to have a representative from the Canadian foreign exchange community. Beginning in 2008, Ed Monaghan from RBC Capital Markets replaces Mark Griffiths in that role.

### **ACI Model Code**

In 2001 the CFEC, along with the CCFP and the FMAC, adopted the *ACI Model Code* as the standard for best market practices in the Canadian foreign exchange market. This Code replaced guidelines that were previously revised in 1997. The Model Code was first published in the year 2000 by ACI - The Financial Markets Association, the global umbrella organization of foreign exchange associations. It combined the recommendations for six pre-existing codes of conduct (those of New York, London, France, Singapore, Tokyo and the original ACI Code). The Code is kept current through updates that result from the regular review of the Code by the ACI Committee for Professionalism, a committee which includes Canadian representation (currently Lynn Kennedy, from BMO Capital Markets, who is also on the CCFP). A link to the latest version of the *ACI Model Code* can be found at the CFEC website ([www.cfec.ca](http://www.cfec.ca)) under Announcements.

### **Operations Managers Working Group**

The Operations Managers Working Group (OMWG) was established in 2003. The purpose of this group is to focus on operational issues such as delivery or settlement problems, confirmation procedures and best practices, business continuity planning, SWIFT messaging issues, increased straight through processing and electronic confirmations etc. A list of the members can be found on page 8.

In 2004, the Canadian OMWG endorsed two best practices documents that were published by the New York Foreign Exchange Committee. The first publication, *Management of Operational Risk in Foreign Exchange*, recommends 60 best practices for financial institutions to use as a resource or checklist for when they regularly evaluate their policies and procedures to manage operational risk. The second publication, *Recommendations for Nondealer Participants*, is a condensed version of the 60 best practices that is geared towards nondealer participants who, while perhaps not as active in foreign exchange, could benefit from the recommendations. A link to these documents can be found on the CFEC website ([www.cfec.ca](http://www.cfec.ca)) under Announcements. Two members of the Canadian OMWG also attend the meetings of the New York OMWG.

In April, a number of the OMWG members represented Canada at the global operations managers conference that was hosted in Frankfurt by the ECB Operations Group. This conference was attended by the members of operations managers groups affiliated with FX committees from around the world.

## **Market Statistics**

### **2007 Triennial Survey**

All the bank members of the CFEC and a number of other financial institutions in Canada participated in the 2007 Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity. The *turnover* part of the survey covered foreign exchange contracts and interest rate derivatives, and was conducted on a locational basis in April 2007. The *amounts outstanding* part of the survey covered foreign exchange, interest rate, equity, commodity and credit derivatives, including a new table on credit default swaps. It was collected on a consolidated basis as at June 30, 2007. The results of the survey can be found on the CFEC website ([www.cfec.ca](http://www.cfec.ca)) under the page on Foreign Exchange Volumes and Rates.

### **Regular Derivatives Market Statistics**

Statistics on derivatives markets from approximately 60 major global dealers in the Group of 10 (G10) countries are collected regularly. Three Canadian financial institutions are participating in this reporting, and consolidated amounts outstanding were collected for the first time as of 30 June 1998 and have been collected every six months thereafter. The data collected covers foreign exchange, interest rate, equity and commodity derivatives, and credit default swaps. The BIS issues a press release with the aggregated global summary results of this survey after each reporting date.

### **CFEC Semi-annual Foreign Exchange Volume Survey**

In October 2005, the daily/weekly report to the Bank of Canada on foreign exchange volumes was replaced by a semi-annual survey (during the months of April and October). The new semi-annual survey is more comprehensive in that it includes other currency pairs in addition to US\$/Can\$. As well, it has a new table on the method of execution for foreign exchange trades, and different counterparty definitions similar to those in the triennial survey. In general, the new report is similar in nature to, but not directly comparable with, the BIS triennial survey. It includes only the larger participants in the Canadian foreign exchange market, but their volume accounts for most of the market. A number of other jurisdictions, including New York, London, Tokyo, Singapore and Australia have adopted similar surveys. The Canadian semi-annual data

are made available on the CFEC's website ([www.cfec.ca](http://www.cfec.ca)) a few months after the survey. It is jointly released with several other countries. The October 2007 data have been appended to this Report.

## **IFXCO, IFEMA and ICOM Master Agreements**

Over the last few years the CFEC has, in conjunction with the Foreign Exchange Committee of New York, the British Bankers' Association and the Tokyo Foreign Exchange Market Practices Committee, sponsored work on three Master Agreements: the International Foreign Exchange Master Agreement (IFEMA), the International Currency Options Market Master Agreement (ICOM), and the International Foreign Exchange and Options Master Agreement (FEOMA). In 1997, the CFEC, along with the above-noted committees, obtained legal opinions as to the enforceability and validity of the netting provisions of the updated IFEMA, ICOM and FEOMA Master Agreements in various jurisdictions including Canada. In 2004, the CFEC agreed to co-sponsor an updated master agreement known as the International Foreign Exchange and Currency Option (IFXCO) Master Agreement. IFXCO is based on the 1997 FEOMA agreement. Like FEOMA, IFXCO covers spot and forward foreign exchange transactions and currency options. An update on the legal opinion is obtained each year.

## **Business Continuity Planning**

While each financial institution undertakes its own business continuity planning which includes having back-up systems and off-site facilities, there is an interest to also ensure that system-wide business continuity arrangements are in place. Following a review of the experience in the wake of the September 11, 2001 terrorist attacks, the CFEC compiled a contact list for the Canadian foreign exchange market. The intention of the list, which is updated regularly, is to give participants in the foreign exchange market the means to contact one another in the event of an emergency if the normal channels of communication are not working.

## **Organization and Membership**

The CFEC issues this Report on an annual basis to inform financial institutions that are active in the foreign exchange market about the Committee's activities and membership. Over the course of the year, updates on the activities of the Committee can be found on the CFEC's website ([www.cfec.ca](http://www.cfec.ca)) under the links to either the Announcements of the Committee or the Minutes of meetings. The website also contains an up-to-date membership list, information on foreign exchange volumes and rates, articles of interest to the foreign exchange community and links to the websites of other foreign exchange committees and organizations.

There were a few membership changes on the Committee in 2007. John Walks from State Street Global Markets Canada was invited to sit on the CFEC. Vincent Butkiewicz from the National Bank of Canada stepped down from the Committee, and the term of Richard Audet from Société Générale expired at the end of April

The contributions of all the members on the CFEC and its subcommittees and working groups are greatly appreciated, as are the contributions of those who have left the Committee over the past year.

George Pickering  
Chair  
Rob Ogradnick  
Secretary  
Canadian Foreign Exchange Committee  
2007 Report on Activities

**Canadian Foreign Exchange Committee  
Membership, January 2008**

George Pickering, Adviser (Chair)  
Bank of Canada, Ottawa

Craig Ellis, Managing Director & Global Head of FX  
CIBC World Markets, Toronto

Jeff Feig, Managing Director  
Citigroup, New York

Sharon Grewal, Executive Director (Chair, CCFP, an ex officio post)  
CIBC World Markets, Toronto

Moti Jungreis, Managing Director & Global Head of FX  
TD Securities, London

Russell Lascala, Managing Director & Chief Dealer  
Deutsche Bank, New York

Clifton Lee-Sing, Acting Chief  
Department of Finance, Ottawa

Jack Linker, Director  
Reuters America, New York

Brad Meredith, Executive Vice President  
HSBC Bank Canada, Toronto

Tim Miles, Senior Vice President  
ICAP Capital Markets Canada, Toronto

Richard Poirier, Managing Director (interim member)  
National Bank of Canada, Montreal

Harry Samuel, Managing Director  
RBC Capital Markets, London

Evan Steed, Vice President and Director (President, FMAC an ex officio post)  
TD Securities, Toronto

Jamie Thorsen, Executive Managing Director  
BMO Capital Markets, Chicago

Barry Wainstein, Vice Chairman  
The Bank of Nova Scotia, Toronto

John Walks, Senior Managing Director  
State Street Global Markets Canada, Toronto

Rob Ogrodnick, Senior Analyst (Secretary)  
Bank of Canada, Toronto



## **Other Committee Members January 2008**

### **Canadian Committee for Professionalism (CCFP)**

Sharon Grewal (Chair)	CIBC World Markets
Joe Barbaro	Reuters Information Services (Canada)
Mark Johnson	RBC Capital Markets
Lynn Kennedy	BMO Capital Markets
Steve Kent	TD Securities
Vacant	National Bank of Canada
Brendan Luxton	Bank of Nova Scotia
Brad Meredith	HSBC Bank Canada
Tim Miles	ICAP Capital Markets Canada
Rob Ogrodnick	Bank of Canada
Evan Steed	President, FMAC
John Walks	State Street Canada

### **Operations Managers Working Group (OMWG)**

Andy Sittambalam (Chair)	Scotiabank
Bebi Ali	HSBC Bank Canada
Becky Alush	CIBC World Markets
Laura Coward	Bank of Montreal
Nathalie Desautels	National Bank
Sam Jeries	TD Securities
Jean Napthine	RBC Capital Markets
Catherine Paquin	Laurentian Bank
Mike Thornhill	State Street Global Markets Canada
Rob Ogrodnick (Secretary)	Bank of Canada

### **Membership Subcommittee**

George Pickering (Chair)	Bank of Canada
Brad Meredith	HSBC Bank Canada
Jamie Thorsen	BMO Capital Markets
Barry Wainstein	Bank of Nova Scotia

# CANADIAN FOREIGN EXCHANGE COMMITTEE

## Document of Objectives and Organization

May 2003

### I. Objectives

The objectives of the Committee are:

- to provide a forum for the regular exchange of views on foreign exchange market developments;
- to identify, analyse and comment on issues pertinent to the foreign exchange market;
- to review procedures, practices, and technical issues on the foreign exchange and related financial markets;
- to provide a channel for communication between the foreign exchange market in Canada and organizations and official institutions within Canada and abroad; and,
- to promote, to the community at large, the activities, decisions and views of the Committee, as representative of the Canadian foreign exchange market generally;

### II. Organization

1. The Committee is comprised of senior officers of institutions actively participating in the Canadian foreign exchange market and the Canadian dollar market globally.
2. The composition of the Committee is to reflect the interests of the major Canadian dollar market-making institutions in Canada and such other interests of the foreign exchange community as the standing Membership Subcommittee (as described below) believes will contribute positively to the ongoing work of the Committee. It shall include one representative each from the inter-dealer voice and electronic broking communities, the Department of Finance and the Bank of Canada. The Committee may also include up to two non-resident representatives from major Canadian dollar market-making institutions based outside of Canada.
3. The President of the Financial Markets Association of Canada and the Chairperson of the Canadian Committee for Professionalism, if they are not already members in their own right, are to be non-voting, ex-officio members.

4. An officer of the Bank of Canada will serve as Secretary to the Committee.
5. The Committee will not exceed 16 voting members, excluding the Secretary. A quorum is two-thirds of voting members. Members each have one vote. The Chair votes only in the case of a tie. Members appoint substitutes, from their own organizations, to attend on their behalf on an exceptional basis. Substitutes are to be considered possible candidates for future membership.
6. Initially, one third of the members will serve a term of three years, one third for a term of two years, and a final third for one year. Thereafter, each member will normally serve for a term of three years, although membership will remain, at all times, at the pleasure of the Committee. For consistency, all terms will be deemed to end on April 30.
7. Members serve on the Committee as individuals, to reflect the broader interests of the foreign exchange market, rather than that of the firm which employs them.
8. The Chair of the Committee is elected by and from the current members of the Committee, for a term determined by the Committee. The standing Membership Subcommittee (see below) recommends appropriate candidates for this position.
9. The Committee meets three times each year, or more frequently, as required. At each meeting, the date and location of the next meeting are decided by those present.
10. A standing Membership Subcommittee, consisting of a Chairperson, who is the member from the Bank of Canada, and three other members, as determined by the full Committee, identifies and proposes individuals for membership, based on their personal stature, breadth of experience and anticipated ability to contribute to the work of the Committee. The three other member positions serve a term of three years, with each one expiring in a different year on April 30.
11. The Committee may form ad hoc subcommittees, chaired by any of its members, to study specific issues. Outside participants may be invited to serve on such subcommittees.
12. The Committee will issue an Annual Report of its Activities, to be sent to all financial institutions in Canada known to be active in the foreign exchange market, informing them of the Committee's activities and membership.
13. The Secretary prepares and circulates a notice and the minutes of each meeting to all members and their substitutes.

**CANADIAN COMMITTEE FOR PROFESSIONALISM**  
**Document of Organization**  
**January 2007**

The Canadian Foreign Exchange Committee (CFEC) and the Financial Markets Association of Canada (FMAC) are joint sponsors of an independent Canadian Committee for Professionalism (CCFP), formed in 1993.

**Mission Statement:**

To promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange markets.

**Objectives:**

1. To *advocate* the continuing improvement of market practices to enhance the self-regulatory nature of the foreign exchange markets in Canada.
2. To provide *educational* vehicles which foster the understanding of the foreign exchange markets and related financial markets, in practice and theory.
3. To *arbitrate* disputes, upon request, between two or more members of the community or the institutions they represent.
4. To *communicate* with foreign exchange market professionals, and related trade associations, on matters relating to market practices and ethical conduct.

**Committee Members:**

The Committee is composed of a maximum of thirteen individuals who will be invited to join the CCFP at the request of the CFEC and FMAC, for a term of two years, with half the sitting Committee being present making a quorum, as follows:

1. The Chairperson of the CFEC or his/her designate.
2. The President of FMAC or his/her designate.
3. One member representing each of the major Canadian dollar market-making institutions in Canada.

4. One representative each from the Montreal foreign exchange community, the inter-dealer voice broker association, the inter-dealer electronic broking community, the foreign bank sector and the Bank of Canada.

Each individual on the Committee may satisfy one or more of the above requirements. A minimum of two members on the Committee should also be sitting members on the CFEC. All the members should have a broad knowledge of the foreign exchange markets in Canada, sufficient stature in the community to engender respect, and an anticipated ability to contribute to the work of the Committee. Traditionally the past President of FMAC has been asked to chair the Committee. If that is not possible, the Committee will select a Chairperson from its membership.

**Committee Procedures:**

1. The Committee will meet at the Chair's request. The format of the meeting will be informal, and the Committee will report to the CFEC on a regular basis. Any recommendation or issue paper prepared by the Committee will be presented for discussion at the CFEC before distribution and public disclosure.
2. The Committee will use FMAC as a vehicle to distribute information to the market.

# THE CANADIAN FOREIGN EXCHANGE COMMITTEE LE COMITÉ CANADIEN DU MARCHÉ DES CHANGES

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## CFEC Releases Results of October 2007 Foreign Exchange Volume Survey

**January 28, 2008** - The Canadian Foreign Exchange Committee (CFEC) released today the results of its October 2007 semi-annual survey of foreign exchange volumes in Canada. The purpose of the survey is to provide information on the size and structure of the foreign exchange and foreign exchange derivatives market in Canada. Volumes are broken down by product, currency, counterparty, maturity and execution method. The eight banks with the largest foreign exchange activity in Canada participate.

The survey is similar in nature to the Bank for International Settlements' (BIS) Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity. However, the two surveys may not be directly comparable because of some differences in reporting methodology. Most importantly, in the CFEC survey the basis for reporting is the location of the trading desk in Canada, i.e., it includes all transactions that are priced and executed by traders in Canada. In contrast, in the global BIS survey the basis for reporting is the location of the sales desk of any trade.<sup>2</sup>

The summary highlights of the October 2007 survey include the following:<sup>3</sup>

- The monthly turnover in October of traditional foreign exchange products (defined as spot transactions, outright forwards and foreign exchange swaps) totaled US\$ 1.4 trillion, an increase of over one-third from the size of the previous surveys, including the last survey in April.
- However, with 22 business days in October versus only 20 days in April, the average daily turnover of traditional foreign exchange products amounted to US\$ 65.4 billion in October compared with US\$ 53.3 billion in April, a smaller increase of 22.7%.
- Compared with the survey from one year ago, on an annual basis the average daily turnover of traditional foreign exchange products was 32.9% higher, at US\$ 65.4 billion in October 2007 versus US\$ 49.2 billion in October 2006.
- The average daily turnover of foreign exchange derivatives (currency swaps and over-the-counter options) totaled US\$ 3.1 billion, little changed from the US\$ 3.0 billion in the April 2007 survey, but up almost 48% from one year ago (US\$ 2.1 billion in October 2006).

The detailed results of the survey are presented in the summary tables attached.

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<sup>2</sup> Where no sales desk is involved in a transaction, for example in an interbank deal, volumes are based on the trading desk.

<sup>3</sup> There were small revisions to the April 2007 survey data.

The CFEC is an industry group composed of senior representatives from financial institutions actively involved in the foreign exchange market in Canada and the U.S. dollar/Canadian dollar market globally. Formed in 1989, its objective is to provide a forum for the regular discussion of issues and developments pertinent to the foreign exchange market. This includes the review of market practices and procedures, and the promotion of professionalism and integrity in the industry. The Bank of Canada chairs the CFEC and provides secretariat services to the Committee.

The Bank of Canada also co-ordinates the CFEC survey on behalf of the market participants. The eight banks that participate in the survey are:

- Bank of Nova Scotia
- BMO Capital Markets
- CIBC World Markets
- HSBC Bank Canada
- National Bank of Canada
- RBC Capital Markets
- State Street (Canada)
- TD Securities

Globally, a number of other foreign exchange committees conduct similar surveys and they are also releasing their results today on their websites. These include the (London) Foreign Exchange Joint Standing Committee, the (New York) Foreign Exchange Committee and the Singapore Foreign Exchange Market Committee. (The Tokyo Foreign Exchange Market Committee surveys its foreign exchange market annually during the month of April, as opposed to semi-annually during April and October.) Links to the websites of the other foreign exchange committees can be found on the CFEC website ( [www.cfec.ca](http://www.cfec.ca) ). Alternatively, the direct links to their survey results are provided below:

<http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm>

<http://www.newyorkfed.org/fxc/volumesurvey/>

<http://www.sfemc.org/statistics.asp>

**The Canadian Foreign Exchange Committee**  
**Semi-annual Foreign Exchange Volume Survey**  
October, 2007

**Summary Tables**



January 28, 2008



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**Table 1: Traditional foreign exchange turnover in Canada**  
**Summary of surveys**  
**Billions of U.S. dollars**

	Traditional foreign exchange turnover				Number of business days	Average total daily turnover	Per cent change
	Spot	Outright forwards	FX swaps	Total			
Oct. 2005	223.8	60.9	685.5	970.2	20	48.5	
Apr. 2006	235.4	61.1	703.6	1000.1	19	52.6	8.5
Oct. 2006	238.9	63.3	732.0	1034.1	21	49.2	-6.4
Apr. 2007	236.5	73.8	756.0	1066.2	20	53.3	8.3
Oct. 2007	326.5	88.0	1023.9	1438.4	22	65.4	22.7

**Table 2: Over-the-counter (OTC) derivatives market turnover in Canada**  
**Summary of surveys**  
**Billions of U.S. dollars**

	Foreign exchange derivatives			Number of business days	Average total daily turnover	Per cent change
	Currency swaps	Options	Total			
Oct. 2005	24.6	55.2	79.8	20	4.0	
Apr. 2006	27.6	28.0	55.6	19	2.9	-27.5
Oct. 2006	18.5	25.5	44.0	21	2.1	-27.6
Apr. 2007	22.6	36.4	59.1	20	3.0	42.9
Oct. 2007	24.0	44.2	68.1	22	3.1	3.3

**Table 3: Total reported foreign exchange turnover in Canada**

Millions of U.S. dollars

Instrument and counterparty	Canadian dollar against U.S. dollar			U.S. dollar against currencies other than the Canadian dollar			Canadian dollar against currencies other than the U.S. dollar			All other currency pairs			All currencies		
	Apr-07	Oct-07	Per cent growth	Apr-07	Oct-07	Per cent growth	Apr-07	Oct-07	Per cent growth	Apr-07	Oct-07	Per cent growth	Apr-07	Oct-07	Per cent growth
<b>Spot</b>	135,413	186,067	37	78,461	112,020	43	10,452	14,435	38	12,158	13,972	15	236,484	326,494	38
Reporting dealers	24424	17180	-30	847	1,093	29	509	52	-90	90	189	111	25,870	18,515	-28
Other dealers	70,619	111,779	58	67,018	93,624	40	5,156	7,798	51	11,499	12,779	11	154,292	225,980	46
Other financial	15,263	21,171	39	7,563	11,089	47	2,388	3,641	52	261	550	110	25,476	36,451	43
Non-financial customers	25,106	35,937	43	3,032	6,213	105	2,399	2,945	23	308	454	47	30,846	45,549	48
<b>Outright forwards</b>	36,000	48,182	34	22,771	25,693	13	12,225	11,014	-10	2,754	3,101	13	73,750	87,989	19
Reporting dealers	1,333	1,772	33	552	76	-86	2,478	156	-94	102	186	82	4,465	2,190	-51
Other dealers	8,574	11,252	31	10,899	10,618	-3	2,706	1,492	-45	1,633	1,496	-8	23,813	24,857	4
Other financial	11,026	14,565	32	7,386	8,829	20	5,743	6,826	19	363	1,029	184	24,519	31,250	27
Non-financial customers	15,066	20,593	37	3,934	6,170	57	1,297	2,540	96	656	390	-41	20,954	29,692	42
<b>FX swaps</b>	465,359	753,528	62	273,028	246,707	-10	16,083	22,561	40	1,537	1,114	-28	756,007	1,023,910	35
Reporting dealers	58,877	65,963	12	3,723	5,130	38	1,104	230	-79	196	107	-45	63,899	71,430	12
Other dealers	306,209	562,615	84	209,458	202,732	-3	3,911	7,814	100	179	413	131	519,756	773,574	49
Other financial	54,960	76,894	40	52,563	26,099	-50	7,910	10,181	29	138	319	131	115,571	113,493	-2
Non-financial customers	45,313	48,055	6	7,284	12,746	75	3,158	4,337	37	1,025	275	-73	56,780	65,413	15
<b>Total dealers</b>	470,035	770,562	64	292,498	313,273	7	15,864	17,541	11	13,698	15,170	11	792,094	1,116,546	41
Reporting	84,633	84,916	0	5,123	6,299	23	4,091	438	-89	387	482	25	94,234	92,135	-2
Other	385,402	685,646	78	287,375	306,974	7	11,773	17,103	45	13,311	14,688	10	697,861	1,024,411	47
<b>Total customers</b>	166,736	217,216	30	81,763	71,146	-13	22,896	30,469	33	2,751	3,017	10	274,146	321,847	17
Financial	81,250	112,631	39	67,513	46,017	-32	16,041	20,647	29	762	1,898	149	165,567	181,193	9
Non-financial	85,486	104,585	22	14,250	25,129	76	6,854	9,821	43	1,989	1,119	-44	108,580	140,655	30
<b>Total turnover</b>	636,771	987,777	55	374,260	384,419	3	38,759	48,010	24	16,450	18,187	11	1,066,241	1,438,394	35
<i>Currency swaps</i>	10,479	16,328	56	11,278	7,707	-32	843	753	-11	280	163	-42	22,647	23,958	6
<i>OTC options</i>	29,551	30,964	5	6,599	9,017	37	837	2,307	176	817	3,637	345	36,439	44,151	21

**Table 4: Reported traditional foreign exchange turnover in Canada by instrument and by counterparty**  
**Summary of surveys**  
**Billions of U.S. dollars (and percent shares)**

	Instrument						Counterparty							
	Spot		Outright forwards		Foreign exchange swaps		Dealers			Customers				
							Reporting	Other		Financial	Non-financial			
Oct-05	224	(23.1)	61	(6.3)	685	(70.7)	96	(9.9)	658	(67.8)	118	(12.1)	99	(10.2)
Apr-06	235	(23.5)	61	(6.1)	704	(70.4)	102	(10.2)	705	(70.5)	115	(11.5)	77	(7.7)
Oct-06	239	(23.1)	63	(6.1)	732	(70.8)	100	(9.6)	710	(68.7)	138	(13.3)	87	(8.4)
Apr-07	236	(22.2)	74	(6.9)	756	(70.9)	94	(8.8)	698	(65.5)	166	(15.5)	109	(10.2)
Oct-07	326	(22.7)	88	(6.1)	1024	(71.2)	92	(6.4)	1024	(71.2)	181	(12.6)	141	(9.8)

**Table 5: Currency distribution of traditional  
foreign exchange market turnover in Canada**  
**Summary of surveys**  
**Percent shares**

<b>Currency</b>	<b>October 2005</b>	<b>April 2006</b>	<b>October 2006</b>	<b>April 2007</b>	<b>October 2007</b>
U.S. dollar	96.1	95.6	95.7	94.8	95.4
Canadian dollar	59.5	59.9	63.9	63.4	72.0
Euro	14.0	11.9	11.6	12.2	9.8
U.K. pound	5.8	5.9	6.3	7.2	6.1
Japanese yen	7.8	6.8	5.3	5.8	4.3
Australian dollar	3.6	5.3	5.7	3.6	2.6
Swiss franc	5.8	2.8	1.7	2.9	1.5
Other currencies	7.4	11.9	9.9	10.1	8.4
All currencies[1]	200.0	200.0	200.0	200.0	200.0

(1) Since every foreign exchange transaction involves two currencies, the reporting of all currencies necessarily sums to 200 per cent.

**Table 6: Reported foreign exchange  
market turnover in Canada by maturity<sup>a</sup>**  
Millions of U.S. dollars

Instrument	October-05		April-06		October-06		April-07		October-07	
	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share
<b>Outright forwards</b>										
Up to 1 month	42,527	69.1	45,619	70.0	49,262	75.9	39,657	50.7	44,800	49.7
1 month to 1 year	17,230	28.0	16,243	24.9	13,428	20.7	36,874	47.1	41,595	46.1
More than 1 year	1,755	2.9	3,303	5.1	2,201	3.4	1,684	2.2	3,785	4.2
<b>Total</b>	<b>61,512</b>	<b>100.0</b>	<b>65,165</b>	<b>100.0</b>	<b>64,891</b>	<b>100.0</b>	<b>78,215</b>	<b>100.0</b>	<b>90,179</b>	<b>100.0</b>
<b>Foreign exchange swaps</b>										
Up to 1 month	619,313	81.5	662,480	86.0	686,896	85.9	670,283	81.8	872,910	79.7
1 month to 1 year	133,479	17.6	101,078	13.1	107,722	13.5	143,605	17.5	214,868	19.6
More than 1 year	6,666	0.9	7,062	0.9	4,687	0.6	6,017	0.7	7,562	0.7
<b>Total</b>	<b>759,458</b>	<b>100.0</b>	<b>770,620</b>	<b>100.0</b>	<b>799,304</b>	<b>100.0</b>	<b>819,906</b>	<b>100.0</b>	<b>1,095,341</b>	<b>100.0</b>
<b>OTC options</b>										
Up to 1 month	30,165	52.4	12,351	42.4	13,630	43.1	20,336	46.4	29,176	54.3
1 month to 6 months	18,777	32.6	12,597	43.2	15,128	47.9	19,960	45.6	18,586	34.6
Over 6 months	8,647	15.0	4,211	14.4	2,851	9.0	3,507	8.0	6,011	11.2
<b>Total</b>	<b>57,589</b>	<b>100.0</b>	<b>29,160</b>	<b>100.0</b>	<b>31,609</b>	<b>100.0</b>	<b>43,803</b>	<b>100.0</b>	<b>53,773</b>	<b>100.0</b>

a. Not adjusted for local double counting.

**Table 7: Execution methods**  
percent shares  
October 2007

Classification	Execution Methods Primarily for Dealers			Execution Methods Primarily for Customers			TOTAL
	Dealer Direct	Electronic Broking	Voice Broking	Customer Direct	Single-bank Proprietary Platforms	Multi-bank Dealing Systems	
<b>By Currency Pair:</b>							
<b>Canadian Dollar against</b>							
USD	38	27	15	18	1	2	100
Other	32	7	1	47	2	11	100
<b>U.S. Dollar against</b>							
EUR	25	47	9	14	2	3	100
JPY	30	39	11	15	1	4	100
GBP	31	45	9	9	1	5	100
<b>Total Currency Pairs</b>	<b>35</b>	<b>31</b>	<b>13</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>100</b>

<b>By Instrument:</b>							
Spot	24	41	10	20	4	1	100
Outright forwards	22	10	1	56	3	9	100
Foreign exchange swaps	39	29	16	13	0	3	100
Cross currency swaps	39	22	6	34	0	0	100
Options	33	46	1	16	5	0	100
<b>Total Instruments</b>	<b>35</b>	<b>31</b>	<b>13</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>100</b>

<b>By Counterparty:</b>							
With reporting dealers	47	40	13	0	0	0	100
With other dealers	44	38	17	0	1	0	100
With other financial institutions	0	1	2	75	4	19	100
With non-financial customers	0	0	0	92	5	2	100
<b>Total Counterparties</b>	<b>35</b>	<b>31</b>	<b>13</b>	<b>18</b>	<b>1</b>	<b>2</b>	<b>100</b>